

payment for the crops of 1891 was made by the return of American securities instead of the shipment of gold. American exports of merchandise fell in the fiscal year 1893 to \$831,030,785 and the balance of trade against the United States for the six months ending June 30, 1893, <sup>was</sup> \$68,800,-021. The national banks of the East, warned by the European crisis, began to scan their loans and strengthen their gold holdings.<sup>1</sup> The failures reported by Bradstreet's Commercial Agency in April, 1893, were 905, as compared with 703 in the same month of 1892, and the number increased to 969 in May as compared with 680 in May of the year before. The panic did not become acute, however, until the middle of May. The Chemical National Bank of Chicago, with a capital of \$1,000,000, closed its doors on May 9th, and was followed two days later by the Columbia National Bank of Chicago, with a capital of an equal sum. These suspensions, accompanied by the collapse of private and State banks and business firms and corporations, paralyzed credit and brought the country to the verge of a crisis.

Upon these conditions of unstable equilibrium came the shock of the suspension of silver coinage in British India. There, as in other silver using countries, the fall in the gold price of silver had brought changes in values and difficulties of administration and exchange. The United States had been making efforts for seventeen years to avert the effects of the depreciation of silver by means of an international bimetallic union. Congress by a joint resolution of August 15, 1876, appointed a joint committee of eight members, known as the "Silver Commission/" which submitted an elaborate report on March 2, 1877. The majority of this commission reported in favor of "the restoration of the

<sup>1</sup> Their gold holdings increased \$22,000,000 during the year ending September 30, 1892, which, says Comptroller Hepburn, "coupled with the known fact that many State banks and trust companies have also fortified themselves with a gold reserve during the year, shows that the fear that we were drifting towards a silver basis was not confined to foreigners."\* This is dated December 5, 1892, six months before the crisis.